

DOCUMENT RESUME

ED 182 373

UD 020 095

TITLE An Analysis and Critique of the Comptroller's Report
"A Survey of School System Characteristics in 22
United States Cities."

INSTITUTION New York City Board of Education, Brooklyn, N.Y.
Office of the Deputy Chancellor.

PUB DATE Sep 77

NOTE 34p.; Not available in paper copy due to reproduction
quality of original document; Report prepared by the
Project Management Unit.

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.

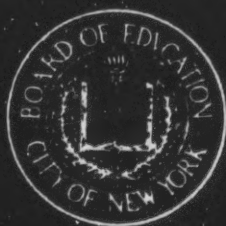
DESCRIPTORS Comparative Analysis; *Comparative Statistics; *Data
Collection; *Educational Assessment; Elementary
Secondary Education; Public School Systems; *Reports;
*Research Methodology; *School Surveys; School
Systems; Statistical Analysis

IDENTIFIERS *New York (New York)

ABSTRACT

In criticizing the New York City Comptroller's Report on selected school systems in the United States, this analysis cites methodological errors in the design and execution of that work which, it is indicated here, invalidate many of the conclusions reached therein. According to this critique, the Comptroller's Report possessed a conceptually weak analytical framework, was flawed in its sample survey, was inconsistent in reporting and processing data, and made invalid comparisons of the data supplied by the different school districts. Tables are included. (Author/WP)

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Board of Education City of New York

ED182373

AN ANALYSIS AND CRITIQUE OF THE COMPTROLLER'S REPORT "A SURVEY OF SCHOOL SYSTEM CHARACTERISTICS IN 22 UNITED STATES CITIES"

UN020095

Prepared by:
Office of the Deputy Chancellor
Project Management Unit
September 1977.

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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"Contrariwise," continued Tweedledee, "if it was so, it might be; and if it were so, it would be; but as it isn't, it ain't. That's logic."

— Alice Through the Looking-Glass

INTRODUCTION

On June 23, 1977, the Comptroller of the City of New York issued "A Survey of School System Characteristics in 22 United States Cities," a report that attempts to compare the "operating characteristics of the New York City Board of Education with those of other major school systems."* Many of the findings in the Comptroller's report have been cited by critics and widely quoted in the news media as proof of alleged shortcomings in the operation of the New York City school system.

The Board of Education has conducted a careful analysis of the questionnaire survey on which the Comptroller's report is based. This analysis has uncovered a number of methodological errors in the design and execution of the survey. The errors are serious enough to undermine, if not invalidate, the many allegations that are now being given widespread circulation as fact.

THE ANALYTIC FRAMEWORK OF THE STUDY IS CONCEPTUALLY WEAK

The basic purpose of the Comptroller's study is unclear. In an opening statement, the report claims that the survey was undertaken in order to examine the frequent accusations of inefficiency and poor management leveled against the New York City school system. Yet, the report later disclaims any attempt to answer the question, "Is the Board of Education more or less efficient than school systems in other cities?" It does assert, however, that a comparative analysis of school system characteristics can serve to identify problem areas in New York City. Be that as it may, the findings of the study clearly imply that the characteristics of the New York City school system would be acceptable if they conformed to those of selected school districts throughout the country.

The Comptroller's study ignores previous reports on intercity costs,* federal data comparing educational expenditures on a national basis,** and specific research comparing New York to other large urban school districts.*** Instead, the study depends on a mailed questionnaire by which data were collected for selected categories related to pupils, personnel, revenues, expenditures, and other school system characteristics. These data were then analyzed in order to identify areas in which New York City's school

*For example: John J. Callahan, William H. Wilken, and M. Tracy Sillerman, Urban Schools and School Finance Reform: Promise and Reality (Washington, D.C.: Urban Coalition, 1973); Betsy Levin, The High Cost of Education in Cities (Washington, D.C.: The Urban Institute 1973); Arthur J. Levin, Equity for Cities in School Finance Reform (Washington, D.C.: The Potomac Institute, 1973).

**For example: Statistics of Public Elementary and Secondary Day Schools, Fall 1974 and Statistics of Local Public School Systems, Finance, 1972-1973, published and periodically updated by the National Center on Educational Statistics in the U.S. Department of Health, Education, and Welfare.

***Dick Netzer, "State Aid and School Tax Efforts in Large Cities," A Report to the U.S. Office of Education Pursuant to Contract OEC-O-74-1493, October 1974.

system differs from those in other large cities. Again, the unstated assumption is that deviations from the norm indicate problems of inefficiency in the New York City school system. No attempt is made to determine whether such deviations might better be explained by:

- Differences in definition of budget categories;
- Differences in definition of personnel classifications;
- Differences in the way completed questionnaires were processed by analysts in the Comptroller's Office;
- Differences in the quality of services rendered;
- Erroneous data.

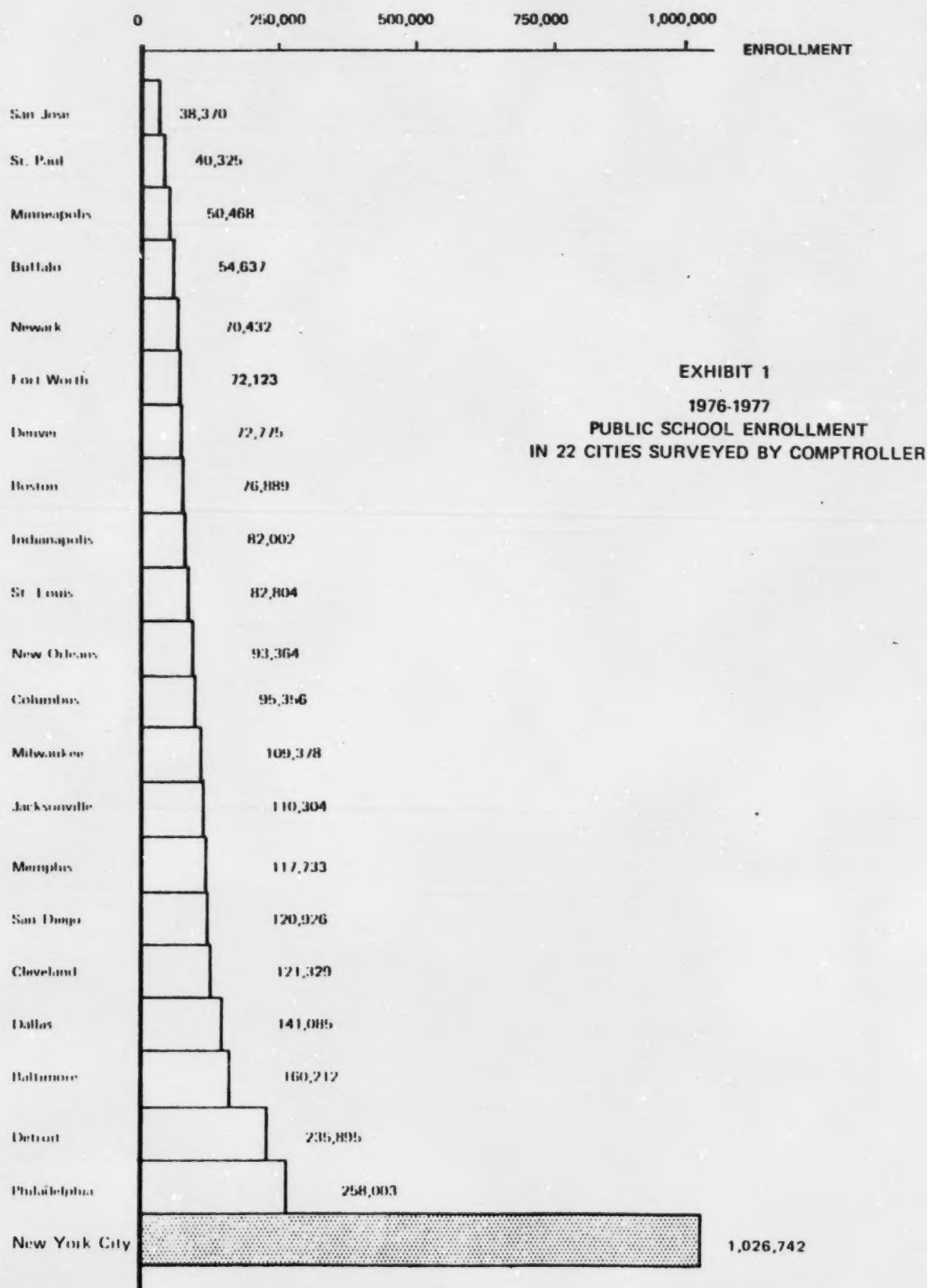
Intercity comparisons of school system characteristics must be made with a great deal of care. Wide variations exist from district to district throughout the nation in the range of educational services offered and in the way functions are shared with the municipality, the county, and the state. Differences abound especially in such areas as special education, employee benefits, food services, transportation, insurance, plant operation, school construction, site acquisition and debt service.

The amount of revenue available to school systems from local, state, and federal sources varies considerably throughout the nation. Federal funds, for example, flow unevenly to different regions and types of urban school districts. Expenditures shown in school budgets may or may not include these revenues. Budgetary practices also vary widely from place

to place. Budget categories are not standardized and accounting practices differ significantly from state to state, and even within a state. The cost of goods and services, the degree of unionization, regional economic factors, and demographic trends affect city school districts differently from one area to the next. Yet, the Comptroller's study attempts to control for only one of these factors -- geographic differences in the cost-of-living.

The New York City school system is unique in many ways. Its relation to a troubled city sets it apart. Simply in terms of size (see Exhibit 1), it is vastly different from other school systems. With an enrollment of more than a million, it has four times as many pupils as the next largest city surveyed by the Comptroller.* In fact, Staten Island, the smallest of New York City's five boroughs, has more pupils than some of the individual cities surveyed by the Comptroller.

*Throughout its report, the Comptroller's Office uses an incorrect figure -- 1,026,724 -- for the number of pupils enrolled in the New York City school system. The proper figure for 1976-1977, published in the official October 29, 1976 register, is 1,076,254 (excluding pre-kindergarten). Therefore, there is a 4.8% error in the pupil count. Every New York City "per pupil" calculation in the Comptroller's report is subject to this distortion.



Source: Enrollment data taken from questionnaires completed for Comptroller's study.

FLAWS IN THE SURVEY SAMPLE OF 22 CITIES

As the following quotation indicates, the Comptroller's Office initially tried to base its intercity comparisons on a sample of the nation's thirty largest school systems:

... an attempt was made to compare New York City's Board of Education with the Country's [sic] thirty largest public school systems. In researching which particular cities were to be chosen based on this criteria [sic], it was not possible to find a list of the thirty largest public school systems in the Unites States.*

In fact, such a list does exist and is easily obtainable (see Exhibit 2).** Reference to this list would have provided the Comptroller's Office with a proper sample of school systems to compare with New York's.

Among the 22 school systems finally used for comparison purposes in the Comptroller's study, some of the nation's largest (e.g. Los Angeles, Chicago, Washington, Miami/Dade, and Houston), those closest in size to New York, are not included. Instead, the sample contains school districts such as San Jose and St. Paul. This results in making comparisons between the nation's largest school system and those that rank 98 and 88 respectively. Comparisons among districts as diverse as these should be made with the goal of discovering the unique characteristics of each. However, this methodology is turned around in the Comptroller's study. All of the districts are treated as if they have similar operating requirements, and any deviation from the mean is then assumed to be good or bad, as the case may be.

*Comptroller's Report, pp. 3 and 4.

**National Center for Educational Statistics, Education Directory: Public School Systems, 1975-1976 (Washington, D.C.: U.S. Government Printing Office, 1976), p. 247.

EXHIBIT 2

THE 30 LARGEST SCHOOL SYSTEMS IN THE UNITED STATES RANKED BY SIZE*

1 New York City	16 Washington, D.C.
2 Puerto Rico/San Juan	17 Cleveland
3 Los Angeles	18 San Diego
4 Chicago	19 Baltimore Co./Towson
5 Philadelphia	20 Montgomery Co./Rockville
6 Dade Co./Miami	21 Milwaukee
7 Detroit	22 Memphis
8 Houston	23 Hillsborough Co./Tampa
9 Hawaii/Honolulu	24 Duval Co./Jacksonville
10 Baltimore	25 Columbus
11 Prince Georges Co. (Md.)	26 New Orleans
12 Dallas	27 Boston
13 Fairfax Co. (Va.)	28 Pinellas Co./Clearwater
14 Jefferson Co./Louisville	29 Dekalb Co./Decatur
15 Broward Co./Ft. Lauderdale	30 Indianapolis

THE NATIONAL RANK* OF THE 22 SCHOOL SYSTEMS USED IN THE COMPTROLLER'S REPORT

1 New York City	26 New Orleans
5 Philadelphia	27 Boston
7 Detroit	30 Indianapolis
10 Baltimore	33 St. Louis
12 Dallas	36 Denver
17 Cleveland	41 Newark
18 San Diego	42 Fort Worth
21 Milwaukee	59 Buffalo
22 Memphis	65 Minneapolis
24 Jacksonville	88 St. Paul
25 Columbus	98 San Jose

*Source: National Center for Education Statistics, Education Directory: Public School Systems, 1975-76 (Washington, D.C.: U.S. Government Printing Office, 1976). School systems are ranked by size of 1974-75 enrollment.

INCONSISTENCIES IN REPORTING AND PROCESSING DATA

The survey questionnaire used to gather most of the raw data for the Comptroller's study is simplistic and unsuitable for the task. As Exhibits 3 and 4 demonstrate, the personnel classifications and budget categories are extremely broad and open to a variety of possible interpretations. Nowhere is the respondent given the benefit of definitions that would help in translating the complexity of large urban school system budgets and staffing patterns into the general, highly summarized information requested by the Comptroller's Office. And, looking at these pages from the Comptroller's questionnaire, one is inevitably reminded of those familiar government forms that have been printed in such a way that there is never enough space to answer the ambiguous questions.

As a result of these deficiencies in the questionnaire, each responding school district provided data according to its own local interpretation of what should be included (or excluded) under the various classifications and categories listed by the Comptroller. At least one major exception to this is worth noting. The New York City school system was not given an opportunity to complete the questionnaire. The Comptroller's Office obtained information by telephone from a number of different Board of Education employees -- none of whom were told that the information would be used for the purpose of making intercity comparisons:

Data for New York City was [sic] obtained from various departments of the New York City Board of Education without the knowledge that it was [sic] being utilized for a comparative study.*

Given the variety of interpretations that can be made with regard to many of the items in the Comptroller's questionnaire, it is not surprising that respondent school districts supplied a great deal of non-comparable data. Though the Comptroller's Office claims that it attempted to "standardize" the non-comparable data, there is little evidence that the attempt was successful:

Rather than request certain data in the format of educational statistical nomenclature, it was decided that raw data should be obtained and that the Bureau of Performance Analysis would convert the data into the necessary formulae. The basis for such a decision was that there would be inconsistencies in the methodology of computing certain educational statistics which would render this [sic] data incomparable.**

However, in processing the questionnaire, the Comptroller's Office actually exacerbated the problem of data incomparability. There are, in fact, a number of instances in which data reported by districts were either ignored or treated inconsistently by the Comptroller's Office.

As the following sections of this report will demonstrate, in a number of crucial areas related to school system operations, the Comptroller's intercity comparisons are based on faulty data. Significant discrepancies in the data were identified by the Project Management Unit during a careful item-by-item review of the actual questionnaires

*Comptroller's Report, p. 5.

**Ibid, p. 3.

completed by (or for) each of the 22 school systems. Further verification of these discrepancies was obtained through direct telephone contact with the individuals who supplied the raw data for 15 of the responding school systems.* The appendix contains a list of the districts called and the names of the individuals with whom Project Management Unit staff communicated.

*Given the magnitude of the discrepancies verified by 15 of the school systems, it would have been superfluous for the Project Management Unit to contact any of the remaining districts surveyed by the Comptroller.

EXHIBIT 3

REPRODUCTION OF FORM USED BY COMPTROLLER'S OFFICE
TO COLLECT DATA ON THE NUMBER OF FULL-TIME EMPLOYEES

POSITION	NUMBER OF FULL-TIME EMPLOYEES
Superintendent	_____
Assistant Superintendent	_____
Business Manager	_____
Principal	_____
Assistant Principal	_____
School Secretary	_____
Other Administrators (please specify) _____	_____
_____	_____
_____	_____
Teachers assigned to classroom	_____
Teachers unassigned to classroom	_____
Guidance Counselor	_____
Architects and Engineers	_____
Other Professional (please specify) _____	_____
_____	_____
_____	_____
Instruction Paraprofessional	_____
Other Paraprofessional (please specify) _____	_____
_____	_____
School Lunch Employee	_____
CETA Employee	_____
Custodial Staff	_____

SOURCE: PAGES 2 AND 3 OF THE COMPTROLLER'S QUESTIONNAIRE.

EXHIBIT 4
REPRODUCTION OF FORM USED BY COMPTROLLER'S OFFICE
TO COLLECT BUDGET DATA

D. BUDGET

1. How much money has been allocated from the following sources in the present FY 1976-1977 ?

A. Local Tax Levy

i. City

\$ _____

ii. County

iii. District

iv. State Levy

B. State Aid

\$ _____

C. Federal Aid -- Title I only

D. Other Federal Aid

E. Total

2. What do you expect your expenses to be for the following items in the present fiscal year (FY 1976-1977) ?

A. Personnel Service

i. Fringe benefits (includes pension, health insurance, etc.)

\$ _____

B. Other than Personnel Service

* C. Administrative

D. Instructional

E. Guidance and Career Planning for Pupils

F. School Lunch Program

G. Transportation

H. Debt Service

I. Custodial Maintenance

J. Other

please specify

K. Total of C through J

* We realize item C-J are not mutually exclusive of items A and B.

SOURCE: PAGE 7 OF THE COMPTROLLER'S QUESTIONNAIRE.

INVALID COMPARISONS OF PUPILS PER ADMINISTRATOR

One of the major allegations made in the Comptroller's report is that "New York has an extremely low number of pupils per administrative staff member. . . [t]his city uses a great many more administrators, on a per pupil basis, than the average city across the country."* The report then continues with an explanation of what is meant by the term "administrative staff member":

The definition we used for "administrative staff member" is an extremely broad one, but it is one which we applied equally to all cities, including New York. In addition to counting all superintendents, chancellors, administrative assistants, clerks, typists, and bookkeepers who work in central offices, we also counted all principals, assistant principals, and school secretaries, on the grounds that while they may interact with students, most of their time is spent supervising and supporting teachers.**

Contrary to the assertion above, the broad definition for "administrative staff member" was not applied equally to (or by) all of the responding school systems.

There are really two basic problems here. First, many of the districts surveyed did not report data for certain types of personnel considered as administrative staff members by the Comptroller's Office. This is not surprising given the fact that the questionnaire (see Exhibit 3) provides no definitions for its job classifications, lists a very limited

*Comptroller's Report, p. 30. Though the term "administrator" would seem to denote a narrower classification of personnel than the term "administrative staff member," both are used interchangeably throughout the Comptroller's report.

**Ibid., p. 33.

number of specific titles, and offers little space for specifying the kinds of titles to be included in the "catch-all" categories "other administrators," "other professional," and "other paraprofessional." Second, in some instances districts clearly reported data for personnel considered "administrative" according to the definition, but these data were not counted (i.e. not included in the final computations) by the Comptroller's Office. As a result of these two problems, the Comptroller's intercity comparisons of pupils per administrator are grossly distorted. These distortions are best illustrated by using the following examples.

Central Office Clerks, Typists, and Secretaries. In computing the number of administrative staff members for New York City, the Comptroller's Office counted all central and district office clerks, typists, and secretaries.* But at least seven other cities did not report figures for their central office clerical and secretarial staff anywhere on the questionnaire:

CITIES NOT REPORTING CENTRAL OFFICE CLERICAL
AND SECRETARIAL PERSONNEL

- Boston
- Buffalo
- Cleveland
- Denver
- Detroit
- Newark
- San Diego

In at least two instances -- Dallas and Baltimore -- data for these types of personnel were reported, but were not counted by the Comptroller's Office. This point is clearly illustrated in the following reproduction of an actual section from the completed Dallas questionnaire:

*In New York City, "central office" refers to citywide and districtwide headquarters personnel.

PART OF PAGE 3 FROM THE DALLAS QUESTIONNAIRE

Position	No. of Full-Time Employees	Average No. of Working hrs. for Full-Time Employees
Instruction Paraprofessional	1091	40 hours per wk
Other paraprofessional (includes central staff secretaries/clerks, (please specify) security personnel, nurses aides	685 <i>Not counted as "administrative"</i> <i>- J.P. 5/31/77</i>	"
School Lunch Employee	1396	varies: 15-40 hr per week
CETA Employee		
Custodial Staff	1096	40 hr. per week

Though the Dallas respondent typed in "includes central staff secretaries/ clerks, security personnel, nurses aides -- 685," the handwritten comment ("not counted as 'administrative'") initialed by an analyst in the Comptroller's Office indicates that none of these personnel were counted as part of the Dallas administrative staff. Analysis of the personnel data supplied by Dallas has confirmed this fact.

Technical and Support Staff. The Comptroller's administrative staff count for New York City includes another major category of personnel -- central office technical and support staff having job titles such as

computer programmer, accountant, budget analyst, personnel examiner, and bookkeeper. Once again, many of the districts having these types of employees failed to report large numbers of them on the questionnaire:

CITIES NOT REPORTING LARGE NUMBERS OF
CENTRAL OFFICE TECHNICAL AND SUPPORT STAFF

- Boston
- Buffalo
- Denver
- Jacksonville

Also, in at least two instances -- New Orleans and Baltimore -- data for such personnel were provided, but were not counted by the Comptroller's Office.

* * * * *

In summary, the broad definition for "administrative staff member" used by the Comptroller's Office was applied to New York City, but not to (or by) many of the other districts. In fact, of the 18 districts used in the Comptroller's intercity comparison of pupils per administrator, New York City is treated differently from at least 55% of these districts. The impact of this inconsistency on the number of pupils served by each administrative staff member is very significant indeed.

The total number of administrative staff members counted for New York City by the Comptroller's Office is 11,246.* If central office clerical and secretarial help, as well as technical and support personnel, are subtracted to make New York comparable to the other cities, the count for administrative staff members drops to about 6,700. This

*This information was obtained from Terry Wolfe, an analyst in the Comptroller's Office.

raises the number of pupils per administrative staff member in New York City from 91.3 to 153.2. Clearly, errors of this magnitude render any conclusions based on these data invalid.

INVALID PER PUPIL EXPENDITURE COMPARISONS

Another major allegation appearing in the Comptroller's report is that "New York's per pupil outlay is approximately \$500 higher than the average of the cities surveyed."* The per pupil outlay is defined as the total budget of a school system divided by its total enrollment.

The Comptroller's intercity per pupil expenditure comparisons (and therefore the allegation cited above) cannot be justified because of significant discrepancies in the data. Among the budgets of the school systems surveyed, there is considerable variation with regard to the items of expenditure that are either included or excluded. In other words, items that appear in the budget of one school system do not always appear in the budget of another.

The total budget for the New York City school system used by the Comptroller's Office includes such items as pensions and social security for employees, school lunch, federally funded programs, and debt service. However, one or more of these items are absent from the budgets of at least seven of the other school systems:

- Boston did not report expenditures for debt service, pensions, and federal funds;
- Buffalo did not report expenditures for federally funded programs and school lunch;
- Dallas did not report expenditures for pensions and social security;
- Fort Worth did not report expenditures for pensions and social security;

*Comptroller's Report, p. 47.

- Jacksonville did not report expenditures for debt service and federally funded programs;
- Milwaukee did not report expenditures for debt service;
- Newark did not report expenditures for debt service.

Given the discrepancies noted above, the Comptroller's expenditure per pupil calculation for New York City is grossly inflated compared to the other school systems. The magnitude of this distortion can be brought into perspective by attaching dollar amounts to a few of the separate expenditure items included for New York City but missing for several of the other districts. Using the Comptroller's figures for expenditures* and enrollment in New York:

- Debt service represents a \$339 per pupil expenditure;
- Pensions represent a \$355 per pupil expenditure;
- Federally funded programs represent a \$198 per pupil expenditure;
- School lunch represents a \$113 per pupil expenditure.

Of the 20 cities used in the Comptroller's intercity per pupil expenditure comparison, New York City is treated differently from at least 38% of the other districts. This inconsistency alone precludes the possibility of making accurate per pupil expenditure comparisons based on data in the Comptroller's report.

*These figures are not adjusted for the cost of living.

INVALID COMPARISONS OF INSTRUCTIONAL COSTS PER PUPIL

The Comptroller's report alleges that "[i]n the case of expenditures on instruction, New York's outlay is somewhat lower than the norm."* Once again, the report contains an allegation that is based on faulty data.

The per pupil instructional expenditure was computed for each district by dividing its total enrollment into the total amount of its instructional costs. In the case of New York City, the Comptroller excluded pensions, fringe benefits, and federally funded programs from the school system's total instructional expenditure. The problem is that several of the other districts included one or more of these cost items (i.e., pensions, fringe benefits, and federally funded programs) in reporting their total instructional expenditures. The resulting discrepancies are summed up in the following table:

COST ITEMS INCLUDED AS PART OF DISTRICT'S TOTAL INSTRUCTIONAL EXPENDITURE

<u>School District</u>	<u>Pensions?</u>	<u>Fringe Benefits?</u>	<u>Federal Programs?</u>
NEW YORK	NO	NO	NO
Baltimore	yes	yes	yes
Buffalo	yes	yes	no
Cleveland	yes	yes	yes
Columbus	yes	yes	yes
Dallas	no	yes	yes
Denver	yes	yes	yes
Detroit	yes	yes	yes
Fort Worth	no	yes	yes
Jacksonville	yes	yes	no
St. Louis	yes	yes	no

*Comptroller's Report, p. 47.

As a result of the discrepancies noted above, the per pupil instructional expenditure reported for New York City is significantly underestimated compared to the other school systems. In fact, of the 18 districts used in the Comptroller's intercity comparisons of per pupil instructional expenditures, New York City is treated differently from at least 58% of these districts.

The magnitude of the underestimation in New York City's instructional expenditure per pupil can be demonstrated by attaching dollar amounts (based on the Comptroller's data) to the missing items of cost:*

- Adding pensions increases New York's instructional expenditure by \$345 per pupil;
- Adding fringe benefits increases New York's instructional expenditures by \$121 per pupil;
- Adding federal programs increases New York's instructional expenditures by \$177 per pupil.

*These figures are not adjusted for the cost of living.

INVALID COMPARISONS OF GUIDANCE AND CAREER PLANNING COSTS PER PUPIL

According to the Comptroller's report, New York City's per pupil expenditure for guidance and career planning is considerably below the average of the school system's surveyed: "In the areas of guidance and career planning, New York spends approximately \$24 less for each pupil than the average city."* As in the areas previously discussed, faults in the data render this allegation invalid.

Per pupil guidance and career planning expenditures are computed by taking the total cost of services provided in this area and dividing the figure by total enrollment. Though the per pupil guidance and career planning expenditure for New York City differs greatly from the survey average, there are also substantial differences from one school system to another in the way this expenditure category is defined.

For New York City, the Comptroller's Office operationally defined guidance and career planning as the cost of supporting the:

- Office of Career Education;
- Bureau of Child Guidance;
- Bureau of Educational and Vocational Guidance.**

Interestingly enough, the Comptroller's Office did not include for New York City such obvious items as:

- Guidance counselors (over 1,000, or 99% of the total not included);
- School psychologists and school social workers (over 200 not included);

*Comptroller's Report, p. 51.

**This definition was provided by Susan Kensky, an analyst in the Comptroller's Office.

- Pensions and fringe benefits for guidance counselors, psychologists, and social workers.*

The Comptroller's definition of what is and what is not a guidance and career planning service in New York City is unquestionably deficient.

A review of the data from several other school systems has resulted in the following definitions for guidance and career planning:

- Baltimore includes guidance, psychological, and social worker services; placement services; vocational guidance; career services; occupational services; work study programs; student relations; pensions and fringe benefits included.
- Buffalo includes guidance counselors.
- Columbus includes counselors, pensions and fringe benefits.
- Dallas includes counselors and clerks.
- Denver includes counselors, psychological and social worker services, along with guidance services provided by other personnel; pensions and fringe benefits included.
- Detroit includes counselors.
- Fort Worth includes counselors, health and welfare benefits.
- Jacksonville includes guidance counselors, social workers, and occupational specialists; pupil personnel services; pensions and fringe benefits included.
- Newark includes guidance services, cooperative work study program, in-service training, and school community relations.

*Also not included are a large number of other personnel providing part-time counseling services.

Of the 13 cities used in the Comptroller's intercity comparison of per pupil expenditures for guidance and career planning, New York City is treated differently from at least 75% of the districts. There is, in fact, so much variation among the districts in terms of what items are included in guidance and career planning that the resulting data are simply unsuitable for the purpose of making intercity comparisons.

INAPPROPRIATE DATA USED TO COMPARE POVERTY LEVEL AMONG CITIES

The percentage of families in a community below the federal poverty level is frequently used as a measure of stress on the resources of a school system. The reasoning is that additional services must be provided to children from poor families because they often have special educational needs.

The Comptroller's report implies that the level of poverty related stress on the New York City school system is lower than most of the other districts surveyed because:

New York has a smaller percentage of families below the Federal poverty level than the average respondent city in 1970...only 11.5% of all families in New York were below the poverty level, while the average was found to be 13.3%. (This is based on 1970 Census data.)*

Based on a misuse of data, this finding is simply incorrect.

The Comptroller's Office obtained data on poverty from two different sources. For three of the cities surveyed -- Columbus, Milwaukee, and San Diego -- figures were gathered directly from the districts in response to the question, "What percentage of families in the district or municipality are below the Federal poverty level?"** For other cities, data were obtained from the 1970 U.S. Census. Thus, even assuming that officials in Columbus, Milwaukee, and San Diego accurately reported the poverty

*Comptroller's Report, p. 76.

**Ibid, p. 78.

Tevels in their districts, the figures are given for a time period significantly different from that of the other cities:

- 1970 Census data refer to the year 1969.
- The question in the Comptroller's survey refers to the 1976-1977 fiscal year.

Furthermore, the Comptroller's report fails to show poverty figures for four (Cleveland, Dallas, Fort Worth, and Indianapolis) of the 22 cities even though data are readily available in census publications.*

Using a complete and consistent set of census data, one can plainly see that the percentage of families living below the poverty level in New York City (11.5%) is identical to the 11.5 percent average for the 22 respondent cities (see Exhibit 5).

*For example, see County and City Data Book: 1972, Bureau of the Census, U.S. Department of Commerce.

EXHIBIT 5
PERCENT OF FAMILIES BELOW THE POVERTY LEVEL

	COMPTROLLER'S REPORT*	CENSUS DATA**
Baltimore	14.0%	14.0%
Boston	8.3	11.7
Buffalo	11.2	11.2
Cleveland	N/A	13.5
Columbus	23.8	9.8
Dallas	N/A	10.1
Denver	9.4	9.4
Detroit	11.3	11.3
Fort Worth	N/A	10.3
Indianapolis	N/A	7.1
Jacksonville	14.1	14.1
Memphis	15.7	15.7
Milwaukee	25.6	8.1
Minneapolis	7.2	7.2
New Orleans	21.6	21.6
NEW YORK	11.5	11.5
Newark	18.4	18.4
Philadelphia	11.2	11.2
St. Louis	14.3	14.4
St. Paul	6.4	6.4
San Diego	8.6	9.3
San Jose	6.4	6.4
MEAN	13.3%	11.5%

*Comptroller's Report, Table 43, p. 77. N/A means that the Comptroller's Office listed no data for these cities.

**Source: Table 6 in the County and City Data Book: 1972, Bureau of the Census, U.S. Department of Commerce.

MEASURING DISTRICT WEALTH BY ASSESSED VALUATION PER PUPIL IS INAPPROPRIATE

The Comptroller's report implies that New York City, because of its higher taxable wealth, is better able to support its school system than most of the other responding cities:

The total assessed valuation per pupil is somewhat higher for New York than for the average of all respondent cities...New York has \$32,030 in property assessments per school pupil, while the average is \$28,310. The ratio of assessed valuation to pupils is a measure of wealth...*

This finding is highly dubious because assessed property valuation is an inappropriate measure of district wealth when making intercity comparisons.

Throughout the extensive body of school finance literature, comparisons of district wealth are based on the market or full value (not the assessed value) of taxable property. In spite of this standard practice, the Comptroller's study uses "assessed value" of property for making intercity comparisons.

Assessed valuation should not be used as a basis for intercity comparisons. It represents the value that local assessors place on real property within a given jurisdiction. Assessors typically evaluate property at some fixed percentage of actual market value. These percentages vary widely from locality to locality and from state to state.

*Comptroller's Report, p. 81.

APPENDIX

VERIFICATION OF DISCREPANCIES IN THE DATA

In a number of crucial areas related to school system operations, the Comptroller's intercity comparisons are based on faulty data. Significant discrepancies in the data were identified by the Project Management Unit during a careful item-by-item review of the actual questionnaires completed by (or for) each of the 22 school systems. Further verification of these discrepancies was obtained through direct telephone contact with the individuals who supplied the raw data for 15 of the responding school systems.* The table on the following page contains a list of the districts and the names of the individuals with whom the Project Management Unit staff communicated.

*Given the magnitude of the discrepancies verified by 15 of the school systems, it would have been superfluous for the Project Management Unit to contact any of the remaining districts surveyed by the Comptroller.

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LIST OF DISTRICTS CALLED AND THE
NAMES OF INDIVIDUALS WITH WHOM THE
PROJECT MANAGEMENT STAFF COMMUNICATED

<u>City</u>	<u>Central Contact</u>	<u>Budget Contact</u>	<u>Personnel Contact</u>
Baltimore	M. Bordley (301) 396-6605	A. Unitas	N. Harrell
Boston	L. Perullo (617) 726-6480	D. Bernstein	L. Perullo
Buffalo	A. Girard (716) 842-3182	A. Thompson	L. Henderson
Cleveland	L. Smith (216) 696-2929	Same	Same
Columbus	J. Butler (614) 225-2896	Same	Same
Dallas	W. Morgan, Jr. (214) 824-1620 X361	G. Fowler	W. Morgan, Jr.
Denver	J. Temple (303) 837-1000 X371	Same	Same
Detroit	W. Thomas (313) 494-1312	T. Howell	M. Bennett
Jacksonville	J. Clemons (904) 633-5398	J. Clemons	T. Higgins
Ft. Worth	D. Agee (817) 336-8311	L. Robertson	D. Agee
Newark	F. Crummey (201) 733-7288	Hodge	A. Mascia
New Orleans	S. Rockwood (504) 288-6561	None	J. Stuart
New York City (Office of the Comptroller, Bureau of Performance Analysis)	T. Wolfe S. Kensky (212) 566-1007	S. Kensky	T. Wolfe
St. Louis	R. Young, Jr. (314) 231-3720	Heet	M. Barry
San Diego	J. Griffith (714) 293-8325	None	P. Zoller